

Council on Postsecondary Education
March 24, 2006

Analysis of the 2006-08
Senate Budget Recommendation

A summary of the changes among the various versions of the budget are provided in the following attachments:

Attachment A - Operating funding for postsecondary education
Attachment B - Capital funding for postsecondary education

The following is a summary of the major changes made by the Senate to the House version of the budget for 2006-08:

Council Agency Budget:

- The Senate restored the \$1 million reduction to the Council's operations budget included in the House budget.
- The Senate added funding for statewide postsecondary initiatives that were included in the Governor's budget for programs such as: Contract Spaces, College Level Learning Assessment, College Access Initiative, Academic Innovation & Collaborative Grants, P-16 Engineering Pipeline, and the Collaborative Public Health Initiative.
- The Senate eliminated \$4 million included in the House budget for a Legislative Scholarship Program.

Institutional Funding:

- The Senate added an additional \$10 million in benchmark funding to the House level for a total increase in 2008 of \$30 million (in addition to the \$20 million in 2007).
- Business plan funding provided in the House budget (\$23 million) for KSU, MuSU, NKU, UK, UofL, and WKU was eliminated for all institutions except for UK, which received \$17.7 million in the Senate version.
- The Senate eliminated the \$10 million in Affordability and Retention funding provided by the House for ECU, MoSU, and six community colleges.
- The Senate added Regional Stewardship funding of \$1.2 million in 2007 and \$3.6 million in 2008 consistent with the Governor's recommendation (the House had no funds for 2007 and \$4.8 million in 2008).
- The Senate changed the \$6 million in nonrecurring research support for UK and UofL from operating funding to bonded debt.

Capital Budget:

1. Total State Bond Authority and Debt Service

- The Senate provided \$382.1 million in state bonds compared to \$507.0 million recommended by the House and \$507.1 million as recommended by the Council.
- The Senate provided \$32.8 million for debt service (22 projects, combination ½ year and full year debt service) compared to \$24.1 million recommended by the House (32 projects, ½ year debt service) and \$55.6 million recommended by the Council (full-year debt service for 22 projects).

2. Projects Recommended by the Council

- Nine of the 22 projects recommended by the Council are not in the Senate Substitute (HB 380) compared to six projects not included by the House.
- Eight of the 22 projects included by the Senate (HB 380) compared to 16 of 32 projects included by the House were not recommended by the Council.

Analysis of HB 380
Additional State General Fund Appropriations

		FY 2006-07 Increase					FY 2007-08 Increase				
	<u>Enacted FY 2005-06 Base</u>	<u>Council Recommendation</u>	<u>Executive Budget</u>	<u>House Budget</u>	<u>Senate Budget</u>		<u>Council Recommendation</u>	<u>Executive Budget</u>	<u>House Budget</u>	<u>Senate Budget</u>	
Base Funding (See Note)											
UK	\$ 306,341,800	\$ 13,722,200	\$ 4,603,500	\$ 4,603,500	\$ 4,603,500	\$	13,624,400	\$ 2,472,100	\$ 13,775,700	\$ 23,986,100	
UofL	154,261,900	13,491,900	3,390,600	3,390,600	3,390,600		14,064,800	1,828,000	10,363,200	5,961,500	
EKU	73,622,800	3,681,100	1,271,000	1,271,000	1,271,000		3,681,100	683,700	4,867,600	1,498,500	
KSU	24,374,800	1,440,400	1,724,500	1,733,700	1,724,500		480,100	159,200	833,200	196,000	
MOSU	43,428,300	2,171,400	624,800	624,800	624,800		2,171,400	335,300	4,149,000	968,000	
MUSU	53,044,600	2,581,500	624,600	624,900	624,600		2,578,300	334,200	2,699,200	989,100	
NKU	46,601,800	5,586,800	1,261,700	1,260,700	1,261,700		5,586,800	681,400	4,095,000	4,011,200	
WKU	74,836,600	6,861,700	1,716,600	1,716,600	1,716,600		6,861,700	925,900	4,789,000	3,474,100	
KCTCS	201,776,300	19,552,100	4,782,700	4,782,700	5,050,500		19,552,100	2,580,200	7,972,100	7,324,800	
Total Institutional Base Funding	978,288,900	69,089,100	20,000,000	20,008,500	20,267,800		68,600,700	10,000,000	53,544,000	48,409,300	
Specific Institutional Funding	-	-	1,038,000	4,949,000	2,150,000		-	574,200	1,738,500	1,500,000	
Performance Funding	-	-	-	-	-		3,500,000	1,000,000	1,000,000	1,000,000	
Council Operations	10,844,700	2,841,800	751,000	(249,000)	751,000		489,500	394,000	394,000	394,000	
Adult Education	22,026,000	4,000,000	1,000,000	1,000,000	1,000,000		2,000,000	2,000,000	2,000,000	2,000,000	
Totals	\$ 1,011,159,600	\$ 75,930,900	\$ 22,789,000	\$ 25,708,500	\$ 24,168,800	\$	74,590,200	\$ 13,968,200	\$ 58,676,500	53,303,300	
Trust Funds / Incentive Funding Programs											
Endowment Match	-	12,000,000	-	-	-		-	-	-	-	
Research Support (Nonrecurring)	-	18,000,000	-	-	-		-	6,000,000	6,000,000	6,000,000	
Research Support (Recurring)	-	4,000,000	1,500,000	1,500,000	1,500,000		-	1,500,000	1,500,000	1,500,000	
Science and Technology	10,005,900	600,000	350,000	225,000	350,000		250,000	-	-	-	
Regional Stewardship	-	3,000,000	1,200,000	-	1,200,000		15,000,000	3,600,000	4,800,000	3,600,000	
Technology Trust Fund	2,050,500	2,701,600	1,352,500	1,085,500	1,352,500		1,100,000	650,000	1,016,500	1,567,000	
Workforce / Transfer Nonrecurring	-	500,000	300,000	300,000	300,000		-	-	-	-	
Workforce / Transfer Recurring	-	-	-	-	-		3,500,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	
Totals	\$ 12,056,400	\$ 40,801,600	\$ 4,702,500	\$ 3,110,500	\$ 4,702,500	\$	19,850,000	\$ 12,950,000	\$ 14,516,500	\$ 13,867,000	
Special Initiatives / Pass Through											
Council Initiatives / Pass Through	6,228,300	1,660,700	1,089,300	284,900	589,300		5,835,500	1,335,500	500,000	835,500	
Institutional Special Initiatives	-	500,000	-	500,000	-		4,300,000	-	2,300,000	-	
Totals	\$ 6,228,300	\$ 2,160,700	\$ 1,089,300	\$ 784,900	\$ 589,300	\$	10,135,500	\$ 1,335,500	\$ 2,800,000	\$ 835,500	
Total Total	\$ 1,029,444,300	\$ 118,893,200	\$ 28,580,800	\$ 29,603,900	\$ 29,460,600	\$	104,575,700	\$ 28,253,700	\$ 75,993,000	\$ 68,005,800	

Note: For purposes of this analysis, base funding includes benchmark funding, business plan funding, and rural retention and affordability funding. This display is net of debt service.

**General Fund Capital Project Priorities
2006-08**

System	Priority	Institution/Project Name	Project Scope	CPE Recommended St. Bond/G Fund	Executive Budget St. Bond/G Fund	House Budget St. Bond/G Fund	Debt Service	Senate Budget St. Bond/G Fund	Debt Service
Infrastructure Repairs/Replacement/Improvements (2 Projects)									
1		Capital Renewal, Replacement, and Maintenance Pool	\$ 15,000,000	\$ 15,000,000	\$ 13,000,000	\$ 13,927,000	\$ 649,000	13,927,000	1,297,000
2		Information Technology/Instructional Equipment Purchase Pool	25,000,000	25,000,000	-	10,000,000	917,000	10,000,000	917,000
Total - Infrastructure, Repairs, Replacement, & Improvements			\$ 40,000,000	\$ 40,000,000	\$ 13,000,000	\$ 23,927,000	\$ 1,566,000	\$ 23,927,000	\$ 2,214,000
E&G and Postsecondary Education Center Projects (38 Projects)									
1		MoSU Construct Center for Health, Education, and Research	\$ 20,000,000	\$ 15,000,000	\$ 15,000,000	\$ 23,000,000	\$ 1,071,000	\$ 15,000,000	\$ 1,398,000
2		KCTCS Construct Science/Allied Health Bldg Jefferson Community	25,557,000	25,557,000	-	25,557,000	1,190,000	25,557,000	1,190,000
3		KCTCS Construct Allied Health/Tech Ed Bldg, Somerset CC Laurel	13,815,000	13,815,000	13,200,000	13,815,000	644,000	14,015,000	1,305,000
4		NKU Renovate Old Science Building	15,000,000	15,000,000	14,192,000	-	-	-	-
5		MuSU Construct New Science Complex Phase III	15,000,000	15,000,000	-	15,000,000	699,000	15,000,000	1,398,000
6		WKU Renovate Science Campus, Phase III	7,000,000	7,000,000	6,700,000	9,000,000	420,000	9,000,000	839,000
7		NKU Construct Health Innovation Center	20,085,000	20,085,000	-	-	-	-	-
8		KSU Hathaway Hall Renovation, Phase III	4,920,000	4,920,000	4,707,000	4,920,000	231,000	-	-
9		EKU Construct Science Building	54,107,950	54,107,950	-	54,108,000	2,519,000	-	-
10		NKU Construct Center for Informatics	23,075,000	23,075,000	-	35,500,000	1,653,000	35,000,000	3,306,000
11		UK Construct Gatton Building Complex	79,289,750	40,452,750	-	-	-	-	-
12		EKU/UK Dairy Research Project (Meadowbrook)	5,300,000	5,300,000	5,121,000	5,300,000	248,000	5,300,000	248,000
13		UoFL Renovate Life Sciences Building	18,240,000	18,240,000	-	-	-	-	-
14		KCTCS Construct Emerging Tech Cntr West KY Comm & Tech	16,518,000	16,518,000	15,473,000	16,518,000	770,000	16,518,000	1,539,000
15		WKU Replace College of Education - Tate Page Hall Building	22,750,000	22,750,000	-	35,000,000	1,630,000	-	-
16		UK Construct Law School Building	85,081,000	-	-	-	-	-	-
17		MoSU Renovate & Add to Student Center, Phase II	16,800,000	-	-	-	-	-	-
18		KSU Expand & Renovate Betty White Nursing Building	4,900,000	-	-	4,900,000	230,000	4,900,000	459,000
19		WKU Replace Ford College Business - Grise Hall Building	38,000,000	-	-	5,800,000	272,000	-	-
20		KCTCS Construct Mt Zion Campus Phase II Gateway CTC	36,523,000	-	26,607,000	1,000,000	49,000	28,000,000	1,304,000
21		UK Construct Medicine/Dentistry Building	202,410,000	-	-	-	-	-	-
22		MoSU Renovate Combs Classroom Building	6,000,000	-	-	-	-	-	-
23		KSU Expand & Renovate Bradford Hall	27,500,000	-	-	-	-	-	-
24		NKU Rennovate University Center	8,700,000	-	-	-	-	-	-
25		KSU Renovate Jackson Hall	1,628,000	-	-	-	-	-	-
26		EKU Renovate Donovan/Donovan Annex/Mattox Hall	19,900,000	-	-	-	-	-	-
27		KCTCS Construct Tech Drive Campus Phase III Ashland CTC	14,833,000	-	-	17,600,000	814,000	-	-
28		MoSU Renovate & Expand Baird Music Hall	10,200,000	-	-	-	-	-	-
29		MuSU Construct Public Safety Building	2,000,000	-	-	-	-	-	-
30		UoFL Construct Belknap Research & Classroom Building	66,420,000	-	-	-	-	-	-
31		MoSU Renovate & Expand Camden Carroll Library, Phase I	6,000,000	-	-	-	-	-	-
32		KSU Hill Student Center - 3rd Floor Build-Out	600,000	-	-	-	-	-	-
33		WKU Construct Owensboro Advanced Technology Center	12,536,000	-	-	14,055,000	655,000	-	-
34		EKU Construct Danville Postsecondary Education Center	11,000,000	-	-	-	-	-	-
35		MuSU Construct Agriculture Tech Telecommunications Center	23,000,000	-	-	-	-	-	-
36		EKU Construct University Activity Center, Phase II	15,400,000	-	-	-	-	-	-
37		MuSU Construct Madisonville Postsecondary Education Center	25,000,000	-	-	-	-	-	-
38		NKU Relocate Master Plan Infrastructure	6,130,000	-	-	-	-	-	-
Total - (E&G) General Fund Projects Requested			\$ 981,218,700	\$ 296,820,700	\$ 101,000,000	\$ 281,073,000	\$ 13,095,000	\$ 168,290,000	\$ 12,986,000
Research & Economic Development Projects (7 Projects)									
1		UK Construct Biological/Pharmaceutical Complex, Phase II	\$ 79,892,000	\$ 79,892,000	\$ 75,968,000	\$ 79,892,000	3,720,000	\$ 79,892,000	\$ 7,440,000
2		UoFL Construct HSC Research Facility IV	69,680,000	69,680,000	65,997,000	69,680,000	3,245,000	69,680,000	6,489,000
3		UoFL Renovate Medical Dental Research Building, Phase IV	19,800,000	-	-	-	-	-	-
4		WKU Construct Materials Characteristics, Phase II	4,500,000	4,500,000	4,311,000	4,500,000	211,000	4,500,000	422,000
5		MuSU Construct New Breathitt Veterinary Center	16,250,000	16,250,000	-	-	-	-	-
6		UoFL Construct Center for Predictive Medicine	35,200,000	-	-	-	-	-	-
Subtotal - (R&ED) General Fund Projects Requested			\$ 225,322,000	\$ 170,322,000	\$ 146,276,000	\$ 154,072,000	\$ 7,176,000	\$ 154,072,000	\$ 14,351,000
7		UK Construct Bio-Medical Research Building (CPE Design only - cash)	\$ 95,000,000	\$ 7,600,000	\$ -	\$ -	\$ -	\$ -	\$ -
System Total - Top 45 General Fund Projects Requested *			\$ 1,341,540,700	\$ 507,142,700	\$ 260,276,000	\$ 459,072,000	\$ 21,837,000	\$ 346,289,000	\$ 29,551,000
* The system total does not include the design amount for the UK Bio-Medical Research Building.									
Research Support Funding Program									
1		CPE Research Support/Lab Renovation & Equipment	\$ 18,000,000	\$ 18,000,000	-	-	-	\$ 6,000,000	\$ 551,000
Projects Not Reviewed or Recommended by CPE (14 Projects)									
1		KCTCS Franklin Technology Center - Project Expansion	-	-	-	-	-	\$ 2,500,000	\$ 237,000
2		KCTCS Bluegrass Advanced Manufacturing Technology Center - Design	-	-	-	-	-	1,500,000	72,000
3		KCTCS Maysville Renovate Administration Building	-	-	-	-	-	5,008,000	469,000
4		MoSU Business Continuance Datacenter Collaborative with NKU	-	-	-	2,500,000	119,000	-	-
5		MoSU Business Continuance Datacenter-Design	-	-	-	360,000	-	-	-
6		MoSU Space Science Center	-	-	-	3,400,000	160,000	-	-
7		UK Livestock Disease Diagnostic Center, Phase II	-	-	-	13,500,000	629,000	-	-
8		KCTCS Licking Valley Campus, Phase II - Maysville CTC	-	-	-	1,000,000	49,000	-	-
9		KCTCS Etown Construct Central regional Postsecondary Ed Center, Phase	-	-	-	19,400,000	904,000	20,000,000	1,863,000
10		KCTCS Madisonville Energy/Advanced Technology Center	-	-	-	4,000,000	188,000	-	-
11		KCTCS JCTC Carrollton County Campus, Design	-	-	-	500,000	24,000	500,000	26,000
12		KCTCS Big Sandy CTC Design New Facility	-	-	-	1,500,000	72,000	-	-
13		KCTCS Maysville Rowan County Campus - Plannign & Design	-	-	-	1,500,000	72,000	-	-
14		KCTCS Madisonville Postsecondary Ed Center - Design	-	-	-	300,000	-	300,000	-
Total New Projects			\$ -	\$ -	\$ -	\$ 47,960,000	\$ 2,217,000	\$ 29,808,000	\$ 2,667,000
Total Projects Proposed			\$ 1,359,540,700	\$ 525,142,700	\$ 260,276,000	\$ 507,032,000	\$ 24,054,000	\$ 382,097,000	\$ 32,769,000

CPE v Executive v House Sub v Senate Sub (HB 380) Recommendations
Capital Projects - Agency Bond Authority
2006-08

Institution and Project Title	CPE Recommendation		Executive Budget (HB 380)		House Sub (HB 380) Budget		Senate Sub (HB 380) Budget	
	Project Scope	Agency Bonds	Project Scope	Agency Bonds	Project Scope	Agency Bonds	Project Scope	Agency Bonds
Eastern Kentucky University								
1 Construct New Student Housing	\$ 10,520,000	\$ 10,520,000	\$ 9,961,000	\$ 9,961,000	\$ 10,520,000	\$ 10,520,000	10,520,000	10,520,000
Subtotal - EKU	\$ 10,520,000	\$ 10,520,000	\$ 9,961,000	\$ 9,961,000	\$ 10,520,000	\$ 10,520,000	\$ 10,520,000	\$ 10,520,000
Kentucky State University								
1 Construct Parking Structure	\$ 7,000,000	\$ 7,000,000	Project not in Executive Budget.		\$ 7,000,000	\$ 7,000,000	-	
2 Construct New Residence Hall (Privatized)	20,000,000	20,000,000	Project not in Executive Budget.		20,000,000	20,000,000	-	
Subtotal - KSU	\$ 27,000,000	\$ 27,000,000			\$ 27,000,000	\$ 27,000,000	\$ -	\$ -
Morehead State University								
1 Construct Student Recreation Center	\$ 17,000,000	\$ 17,000,000	Project not in Executive Budget.		\$ 17,000,000	\$ 17,000,000		
2 Construct Apartment Housing Complexes - Phase II	6,000,000	6,000,000	Project not in Executive Budget.		Project Not Recommended		-	
3 Construct Parking Structure	7,000,000	7,000,000	Project not in Executive Budget.		Project Not Recommended		-	
4 Renovate Student Housing Facilities	10,000,000	10,000,000	Project not in Executive Budget.		10,000,000	10,000,000	-	
Subtotal - MoSU	\$ 40,000,000	\$ 40,000,000			\$ 27,000,000	\$ 27,000,000	\$ -	\$ -
Murray State University								
1 New Residential College (Replace Richmond Hall)	\$ 13,077,000	\$ 13,077,000	\$ 12,106,000	\$ 12,106,000	\$ 13,077,000	\$ 13,077,000	13,077,000	13,077,000
2 Renovate Waterfield Library	8,000,000	4,000,000	Project not in Executive Budget.		Project Not Recommended		-	
3 Replace Franklin Hall	13,077,000	13,077,000	Project not in Executive Budget.		13,077,000	13,077,000	-	
4 Renovate Curris Center and T-Room	750,000	750,000	Project not in Executive Budget.		750,000	750,000	-	
Subtotal - MuSU	\$ 34,904,000	\$ 30,904,000	\$ 12,106,000	\$ 12,106,000	\$ 26,904,000	\$ 26,904,000	\$ 13,077,000	\$ 13,077,000
Northern Kentucky University								
1 Construct New Student Union	\$ 16,250,000	\$ 16,250,000	\$ 17,360,000	\$ 17,360,000	\$ 17,360,000	\$ 17,360,000	17,360,000	17,360,000
2 Construct Parking Garage #3	15,400,000	15,400,000	Project not in Executive Budget.		15,400,000	15,400,000	-	
3 Construct Parking Garage #4	9,200,000	9,200,000	Project not in Executive Budget.		9,200,000	9,200,000	-	
4 Expand Norse Commons	1,400,000	1,400,000	Project not in Executive Budget.		1,400,000	1,400,000	-	
5 Construct Student Housing	23,000,000	23,000,000	Project not in Executive Budget.		23,000,000	23,000,000	-	
Subtotal - NKU	\$ 65,250,000	\$ 65,250,000	\$ 17,360,000	\$ 17,360,000	\$ 66,360,000	\$ 66,360,000	\$ 17,360,000	\$ 17,360,000
University of Kentucky								
1 Construct Patient Care Facility Phase II	\$ 175,000,000	\$ 150,000,000	\$ 155,000,000	\$ 130,000,000	\$ 175,000,000	\$ 150,000,000	150,000,000	150,000,000
2 Renovate Blazer Hall Cafeteria	3,010,000	3,010,000	Project not in Executive Budget.		3,010,000	3,010,000	-	
3 Install HVAC in Keeneland Hall	7,013,000	7,013,000	Project not in Executive Budget.		7,013,000	7,013,000	-	
4 Renovate Student Center Food Court	1,643,000	1,643,000	Project not in Executive Budget.		Project Not Recommended		-	
5 Renovate K-Lair Building	4,650,000	4,650,000	Project not in Executive Budget.		Project Not Recommended		-	
Subtotal - UK	\$ 191,316,000	\$ 166,316,000	\$ 155,000,000	\$ 130,000,000	\$ 185,023,000	\$ 160,023,000	\$ 150,000,000	\$ 150,000,000
University of Louisville								
1 Construct Center for Predictive Medicine	\$ 35,200,000	\$ 13,000,000	\$ 33,749,000	\$ 11,549,000	\$ 35,200,000	\$ 13,000,000	13,000,000	13,000,000
2 Construct HSC Parking Structure II	26,113,000	26,113,000	Project not in Executive Budget.		26,113,000	26,113,000	-	
3 Construct Residence Hall, 500 Bed	33,172,000	33,172,000	Project not in Executive Budget.		33,172,000	33,172,000	-	
4 Construct Basketball Practice Facility, Phase II	16,140,000	16,140,000	Project not in Executive Budget.		16,140,000	16,140,000	-	
5 Renovate Medical Dental Research Building - Phase IV	19,800,000	19,800,000	Project not in Executive Budget.		19,800,000	19,800,000	-	
Subtotal - UofL	\$ 130,425,000	\$ 108,225,000	\$ 33,749,000	\$ 11,549,000	\$ 130,425,000	\$ 108,225,000	\$ 13,000,000	\$ 13,000,000
Western Kentucky University								
1 Renovate Academic/Athletic #2	\$ 28,500,000	\$ 25,500,000	\$ 27,156,000	\$ 24,156,000	\$ 26,500,000	\$ 25,500,000	25,500,000	25,500,000
2 Renovate Van Meter Hall	16,000,000	16,000,000	Project not in Executive Budget.		Project not Recommended		-	
3 Renovate Ivan Wilson Center	8,000,000	8,000,000	Project not in Executive Budget.		Project not Recommended		-	
4 Expand Preston Center	10,000,000	10,000,000	Project not in Executive Budget.		10,000,000	10,000,000	-	
5 Acquire Prop. & Con. Parking	4,000,000	4,000,000	Project not in Executive Budget.		4,000,000	4,000,000	-	
Subtotal - WKU	\$ 66,500,000	\$ 63,500,000	\$ 27,156,000	\$ 24,156,000	\$ 40,500,000	\$ 39,500,000	\$ 25,500,000	\$ 25,500,000
System Total	\$ 565,915,000	\$ 511,715,000	\$ 255,332,000	\$ 205,132,000	\$ 513,732,000	\$ 465,532,000	\$ 229,457,000	\$ 229,457,000